

CHAPTER V

PERFORMANCE BENCHMARKING

Benchmarking is an important tool of the performance-based-budgeting system for state agencies in Texas. A performance measurement system provides a means for agencies to assess their success in achieving their goals and performance targets. Performance benchmarking is one aspect of a measurement system for state agencies.

Benchmarking has been defined as “the continuous systematic process of evaluating the products, services, or work processes of organization that are recognized as representing best practices for the purposes of organizational improvement.”¹ A benchmark is a standard or point of reference against which to measure or judge performance. In Texas, the Governor’s Office and the Legislative Budget Board expects all state agencies to engage in an internal benchmarking process.

The Texas Department of Health (TDH) sets standards and identifies best practices for achieving healthy outcomes in Texas communities. Best practices must be identified before establishing benchmarks. The establishment of performance benchmarking provides a process for measuring our success in achieving healthy communities as compared to national standards, other states’ standards or the agency’s own performance.

Benchmarking Requirements for Texas

All state agencies in Texas are required to submit a set of agency benchmarks to measure progress towards meeting the goals and objectives set for in the biennial strategic plan. Section 9-6.40 of Article IX of the State Fiscal Years 2000-2001 Texas General Appropriations Act states that “it is the intent of the Legislature that selected state agencies . . . engage in an internal performance benchmarking process which will provide for the identification and development of agency-specific performance benchmarks and their linkage to state-level benchmarks.”²

Statewide Benchmarks Linking to Public Health Functions

The statewide priority goals and benchmarks are established by the Governor's Office biennial "Vision Texas" document. The statewide priority goals are organized by function. Within each functional area, benchmarks are identified. The statewide goals of "Health and Human Services" and "Regulatory" along with seven relevant statewide benchmarks align with TDH's scope of public health functions. A listing of and TDH progress on the Governor's "Vision Texas" benchmarks can be found in Appendix F.

The Process of Identifying TDH Benchmarks for FYs 2001-2005

TDH wanted to go beyond the existing performance measures in choosing benchmarks for FYs 2001-2005. LBB requires that at least one benchmark be assigned to each non-administrative goal. For TDH this meant choosing a minimum of four benchmarks to correspond with Goals A (Prevention and Promotion), B (Medicaid Services), C (Health Care Standards), and D (Equitable Access). The remaining three goals pertain to administrative and HUB functions.

During fiscal years 1999 and 2000, TDH examined its performance measure process. The Organization and Human Resources Development Division and the Office of Policy and Planning provided several classes for TDH personnel to increase awareness of the importance and usefulness of performance measures and performance benchmarking. The end result was TDH programs identifying the most relevant benchmarks for TDH during the next five-year planning cycle of FYs 2001-2005.

This process yielded five agency benchmarks. Table 7 lists the TDH benchmarks, definitions, benchmarking partners, 1998 baselines, 2005 goals and to which "Vision Texas" statewide benchmark they relate. Information concerning the selected benchmarks and their relevance to TDH's public health functions follows.

Goal A: Prevention and Promotion: Years of Potential Life Lost (YPLL)

While the measure is unfamiliar to the general public, it is an important measure of premature and preventable deaths. It is affected not only by the state health system, but by other human services and socioeconomic conditions. The

Table 8: Proposed Benchmarks for the 2001-2005 TDH Strategic Plan

Measure	Definition	Texas Data Source	Benchmark Partner	Baseline 1998	2005 Goal	Relates to Vision Texas Goal:
Goal A: Prevention: Potential Years of Life Lost	Number people who died before their 75th birthday multiplied by the remainder 75 minus their age per 1k population	Vital Statistics	U.S. Centers for Disease Control	7,205	7,000	Incidence of vaccine preventable disease. Infant mortality rate. Low birth-weight rate.
Immunization Coverage	Achieve complete immunization coverage among children 19 to 35 months	Immunizations	Healthy People 2010	74%	90%	Incidence of vaccine preventable disease
Goal B: Medicaid Services: Percent receiving prenatal visits	Percent of pregnant Medicaid managed care members enrolled in PCCM plans receiving prenatal visit within	Texas Health Quality Alliance	HCFA	31.81%	60.00%	Infant Mortality Rate Low birth-weight rate
Goal C: Health Standards: Percent of state professional licensee population without documented violations	Number of professionals licensed by TDH divided into the number who are out of compliance.	Bureau of Licensing and Compliance	Bureau of Licensing and Compliance	97%	100%	Percent of state professional licensee population without documented violations
Goal D: Equitable Access - Infant Mortality Rate	Number of children who die within 1 year of birth per 1,000 live births	Vital Statistics	Healthy People 2010	6.4	5.0	Infant Mortality

Source: Texas Department of Health, Office of Policy and Planning.

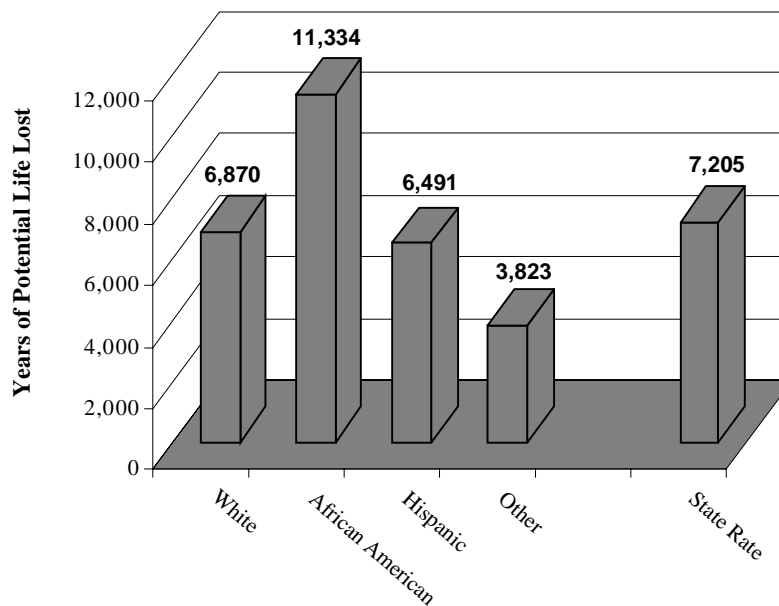
information is maintained by the TDH Bureau of Vital Statistics and the U.S. Centers for Disease Control and Prevention (CDC).

Currently, the Texas YPLL rate is lower than the national average.³ However, when YPLL is analyzed by ethnicity, the YPLL rate for Anglos and Hispanics are significantly lower than the rate for African Americans in Texas.

The rate of years of potential life lost for African Americans in Texas is 57 percent higher than the average rate for the state; 65 percent higher than the rate for Anglos and 74 percent higher than for Hispanics.⁴ This is an indicator of significant disparity in the health status among ethnic groups in Texas.

In summary, the YPLL benchmark is important as a health indicator because it is impacted by the totality of TDH programs. Improvement in this benchmark will also indicate that TDH has decreased the prevalence of communicable disease, increase the weight of newborns and decreased the infant mortality rate.

**Figure 5. Years of Potential Life Lost by Texans in 1998
per 1,000 Population for Deaths Under Age 75**



Source: Texas Department of Health, EPIGRAM 1998 Database.

Goal A: Prevention and Promotion: Immunization Coverage, Achieve complete immunization coverage among children 19 to 35 months of age

This Healthy People 2010 objective is an important mission of TDH. Data to measure it are collected by the Immunization Division and reported back the CDC. Our current immunization coverage for 1998 was 74 percent and our goal for 2005 is 90 percent. This measure was chosen because there is a national benchmarking partner with which to work and it is an important objective for TDH. Achievement of this benchmark will impact the Vision Texas benchmark relating to the incidence of vaccine preventable diseases.

Goal B: Medicaid Services: Percent of pregnant Medicaid managed care members enrolled in Primary Care Case Management plans receiving prenatal visits within 4 weeks of enrollment with a plan.

TDH chose the benchmark because it is reported nationally and can be compared to other state and national averages. In 1998, 31.8 percent of this

category of pregnant women received prenatal care within four weeks of enrollment. The 2005 goal for Texas is 60 percent. This measure has an impact on Vision Texas benchmarks relating to infant mortality rate and the low birth-weight rate.

Goal C: Healthcare Standards: Percent of state professional licensee population without documented violations

This measure represents a minute portion of the mission of Healthcare Quality and Standards. By achieving a low non-compliance rate, this measure will indicate success in helping to reach the Vision Texas benchmark regarding state licensee population without documented violations.

Goal D: Equitable Access: Infant Mortality Rate

This measure is an established measure of the health of communities. It is collected by the Bureau of Vital Statistics and can be compared to other states and national averages. It is also a Healthy People 2010 objective and is a Governor's Vision Texas benchmark.

Conclusions

Benchmarking provides TDH a useful process to measure and improve agency performance. However, greater efforts must be made in identifying both agency and statewide benchmarks that measure the well-being of Texans and the health status of communities. TDH will continue to measure the health status of all Texans and make improvements in the programs based on the findings.

End Notes

1. Splendolini, Michael. The Benchmarking Book. 1992.
2. “HB 1 (General Appropriations Act) as modified by HB 4 and Governor’s Veto Proclamation.” 76th Texas Legislature, Regular Session. State of Texas 1999.
3. U.S. Department of Health and Human Services, “Healthy People 2010, Draft for Public Comment.” 1999. Goals Section, page 5.
4. Texas Department of Health, EPIGRAM Database, 1998. Analyzed by John Hugg, Office of Policy and Planning.